

International Market Access Grants

Application Guidelines

A. Introduction

The Idaho Department of Commerce (IDOC) and the Idaho State Department of Agriculture (ISDA) are pleased to announce the competitive solicitation process to award International Market Access Grants to support export efforts by small¹ businesses in Idaho.

The Small Business Administration's (SBA) Office of International Trade (OIT) has allocated funds to Idaho through the State Trade Export and Promotion (STEP) program. IDOC and ISDA will be awarding export promotion grants to Idaho companies on a competitive basis.

B. Program Purpose

The International Market Access Grant (IMAG) initiative is aimed at achieving two goals: 1) increase the number of small businesses exporting in Idaho and 2) increase the value of exports for small businesses that currently export. IMAG is a valuable trade tool available to qualifying companies seeking financial assistance in various international trade activities. Through the **50% matching grant program with a maximum annual award of \$10,000**, IMAG can offset a portion of qualifying expenses associated with international marketing initiatives as well as provide international business support from Idaho's Trade Offices in China, Taiwan and Mexico.

Awards will be made for a project period of no more than 12 months. Companies **must** spend all allotted program funds by September 1, 2012.

C. Program Uses

IMAG was designed with flexibility to meet the specific international marketing needs of the Idaho company. Project areas may include (but are not limited to) the following:

- Governor's Trade Mission participation
- Trade show exhibition
- Foreign market sales mission
- International travel costs for approved, company-specific business activity
- Travel for foreign customer visits to Idaho
- Participation in an export seminar or educational event
- Creation or translation of marketing materials for utilization overseas
- US Commercial Service export promotion services, such as Gold Keys

D. Qualification

¹ SBA has established a Table of Small Business Size Standards which is matched to the North American Industry Classification System for industries. A size standard is usually stated in number of employees or average annual receipts. A full table of size standards is listed on SBA's website at www.sba.gov/content/table-small-business-size-standards

To qualify for IMAG funding, the Idaho company must:

- Meet the small business standards as set by the SBA. Generally, companies must have less than 500 employees OR report less than \$.75 million in annual revenue. All employees of affiliates, such as parent companies, subsidiaries, etc., must be included in employee totals. For a complete listing of industry specific small business definitions, visit www.sba.gov/content/table-small-business-size-standards.
- Operate a licensed business in Idaho to process, assemble, and/or distribute a product or provide an exportable service. The company does not need to be headquartered in Idaho but must have operations located within the state to qualify.
- Submit a complete IMAG application to IDOC/ISDA, showing source of 50% matching funds (cash match only—no in-kind match will count towards match requirement).
- Execute proposed project no later than August 1, 2012.
- Submit all required post-activity reports and documentation to IDOC/ISDA no later than September 1, 2012.
- Agree to provide IDOC/ISDA with export sales resulting from the IMAG-funded initiative.

E. Eligible Expenses

Qualifying expenses include the following:

- Lodging
 - All lodging reimbursements will be governed by the state of Idaho foreign travel policy, in which actual costs of lodging plus applicable hotel tax and service charges will be reimbursed to the traveler. Companies will be reimbursed at no more than the federal per diem rates listed at http://aoprals.state.gov/web920/per_diem.asp.
- Airfare
 - Travelers will be reimbursed for the cost of a full fare coach/economy class ticket **only**.
- Governor's Trade Mission participation fees
- Trade show expenses
 - Including show registration, booth fee, and freight charge for shipment of display and/or products to exhibition venue
- In-country transportation to and from a trade event
- Translation/interpreter fee
- Foreign contractor and consultant fees (some restrictions apply)
- US Commercial Service export promotion services fees, such as Gold Key Service, Agent Distributor Search, etc.
- International marketing brochure/catalogue development
- Website development

- Travel for foreign customer/contractor site visits
- Cost of trademark registration and/or intellectual property protection

Travel expenses are eligible for a maximum of two U.S. based company employees. Travel expenses are not eligible for importers/distributors or in-market company representatives.

Federal regulations prohibit funding of activities in Cuba, North Korea, Iran, Libya, and Sudan; however, the list may change based on the world situation.

F. Ineligible Expenses

Expense categories **ineligible** for reimbursement include, but are not limited to:

- Compensation, wages or salary of an employee of the Idaho company
- Meals, beverages and tips
- Capital goods, product samples and supplies
- Costs of product research and development
- Alcoholic beverages
- Any expenses incurred prior to approval of grant

G. Application Process

Applications for IMAG funding are evaluated using the following criteria:

- Applicant's export capabilities, product/service potential, commitment, and resources
- Proposal completeness, reasoning and potential impact on the Idaho company and the greater state economy
- Availability of funds

Applications must include the Application Cover Sheet (Exhibit A), Project Proposal (***no more than four (4) pages***), Line Item Budget (Exhibit B), and Budget Narrative. Exhibit A and B are available at both IDOC and ISDA's websites.

1. Project Proposal

The project proposal must include the following categories and not exceed four pages.

a. Overview

Include the title of the project and an abstract of 100 words or less. Provide a brief description of the company's products or services and application(s) and explain the current trade and export activity of the company as well as current obstacles, shortfalls, and continuing difficulties.

b. Project Plan

Clearly state the purpose of the project and detail objectives and activities.

The project plan should address the following questions:

- i. How will the project carry out export activities and assist the company in establishing or furthering export sales?
- ii. What market research or other activities led the company to choose the activity?
- iii. Why was the particular activity chosen?
- iv. Why specifically target the market in proposal?
- v. What activities will be performed to accomplish the objectives of the project?
- vi. Who will do the work of each activity and what is the estimated timeframe?

c. Potential Impact

Discuss the potential impact of the project, if funded. How will the activities drive export sales, and at what level? If applicable, describe how the international market impacted company growth over the past five years.

d. Performance Indicators

Describe at least one distinct, quantifiable measurable outcome that directly and meaningfully supports the project's purpose. Applicants must measure the effectiveness of performance, management and activities, and will be required to provide results.

A measurable outcome includes 1) a goal; 2) a performance measure; 3) a benchmark; and 4) a target.

Example: Increase export sales to Mexico (GOAL) from the current level of \$100,000 (BENCHMARK) to at least \$200,000 (TARGET) measured by the dollar-value of actual sales secured from the project (PERFORMANCE MEASURE).

2. Budget Narrative

Provide sufficient detail, in paragraph format, about the budget categories listed below and show how all numbers were calculated. All requested budget items/activities must correlate to the purpose and goals of the project and demonstrate that they are reasonable and adequate for the proposed work.

Each of the seven (7) budget categories listed below, including all subcategories, must be included in the budget narrative in order for the proposal to be considered. Applicants must show source of 50% matching funds (cash match only—no in-kind match will count towards match requirement).

a. Travel

- i. Destination
- ii. Purpose of trip

- iii. Number of people traveling (maximum of two)
- iv. Number of days traveling
- v. Total airfare expense
- vi. Total ground transportation costs
- vii. Total lodging expenses

**Lodging expenses to be reimbursed shall not exceed the Per Diem Lodging Rate as set by U.S. General Services Administration (U.S. locations) or the U.S. Department of State (foreign cities). For specific rates, see <http://www.gsa.gov/portal/category/21287>.*

- viii. Total mileage costs for the travel

**Mileage will be reimbursed at the IRS 2011 Standard Mileage Rate of 51 cents per mile.*

This level of detail must be provided. A lump sum amount requested for travel will not be approved.

b. Fees to hire an in-market representative or contractor

Provide a short description of the services the contract will cover and the flat rate fee or the total hourly rate. Compensation for individual consultant services should be reasonable and consistent with that paid for similar services in the market.

c. Governor's Trade Mission participation fees

Funds eligible to cover participation fees in a state sponsored trade mission.

d. Translation/Interpreter fees

Fees must be expressed as rate per hour.

e. Trade show expenses

Trade show travel expenses are not eligible for importers/distributors, consultants, or interpreters.

Booth space, booth insurance, booth construction, electricity, equipment rental, setup charges, demonstrator/chef/hostess fees, and demonstration supplies are eligible for reimbursement. Provide an itemized list of equipment purchases or rentals, along with a brief narrative on the intended use of each equipment item, and the cost for all the equipment purchases or rentals.

f. Brochures and materials (including website development)

If funds are used to modify existing labeling or packaging, applicants must demonstrate that the changes are necessary to meet the labeling requirements of a foreign country. Provide an itemized list and estimate the dollar amount for each item.

g. Gold Key services and other U.S. Commercial Service products

Exceptions to eligible program costs can be granted by ISDA/IDOC on an individual, case-by-case basis as necessary.

H. Submission Procedures

Application documents must be completed and mailed to ISDA or IDOC with a post mark of no later than **October 28, 2011**. Documents are requested to be submitted in both **hard copy and electronically** in Microsoft Word and Excel format (no PDF files). Late applications will not be accepted.

Complete packets may be submitted to:

Idaho State Department of Agriculture
Market Development Division
2270 Old Penitentiary Rd.
Boise, ID 83712

Laura.Johnson@agri.idaho.gov

Idaho Department of Commerce
International Business Division
P.O. Box 83720
Boise, ID 83720

Damien.Bard@trade.idaho.gov

I. Grant Award

The International Market Access Grant program operates on a **reimbursable basis** and awardees will recover authorized funds once their activity has been completed and all documentation has been received. Applicants must match 50% of requested grant funds and will be required to submit proof of expenses to IDOC/ISDA at the conclusion of the activity. Companies receive their 50% cost reimbursement after the pre-approved promotional activity has been completed and IDOC/ISDA receives and processes the required supporting documentation.

J. Selection and Scoring Criteria

IDOC and ISDA will review grant proposals and assign a numerical evaluation to each application. The ratings will be a tool used in the final determination of the grant awards (100 points possible). Additionally, a 5-point bonus award will be given to companies located in rural communities (defined as counties in which the largest town or city has a population of less than 20,000). Grant proposals will be evaluated based on the following criteria:

| Criteria for assessing the projects includes: | Maximum Points |
|--|----------------|
| Company Description and Export Potential | 10 |
| <ul style="list-style-type: none">- How clear is the purpose of the activity?- How feasible and appropriate is the project? | |
| Project Plan | 40 |
| <ul style="list-style-type: none">- How well does the proposed activity address the specified issue?- How does this activity support the company's overall growth and export strategies?- Is the budget well justified and appropriate?- How well does it provide for identified company priorities, obstacles and challenges?- What level of commitment to the project does the applicant and its management demonstrate? | |

| | |
|---|-----------|
| - How capable are the project leaders and staff? | |
| Potential Impact | 25 |
| - How great is the need for the project? - How effective will the project be at establishing/increasing the company's exports? - How significant are the long-term benefits? | |
| Performance Indicators | 20 |
| - Does the project include at least one measurable outcome? - How well does the proposed project allow the applicant to quantify and document the project benefits and outcomes? - How reasonable and achievable are the anticipated outcomes? - How clear, appropriate, and realistic are the goals and objectives? | |
| Bonus Criteria: Rural Classification | 5 |
| - Companies located in counties in which the largest town or city has a population of less than 20,000. This includes all counties except Ada, Bannock, Bonneville, Canyon, Kootenai, Latah, Madison, Nez Perce, and Twin Falls. | |

K. Reporting Requirements

The final performance report and expense report (see Exhibit C) must be completed and submitted **within forty-five days** of return date from project activities but no later than September 1, 2012. Copies of receipts for all eligible expenses must be submitted for reimbursement. IDOC will not guarantee payment of unbudgeted items.

Additionally, companies will be required to submit a final project report, including:

1. Activities performed

Briefly summarize activities performed during the project period.

2. Goals and Outcomes

Describe how performance goals and measurable outcomes were achieved. Provide insight on lessons learned if outcome measures were not achieved and expand upon changes necessary for successful implementation of future export plans.

3. Sales

Report sales immediately resulting from the project and provide potential economic impact to the company. Quote anticipated or expected sales for the next 12 months. Report on the number of distributor or partner agreements signed as a result of the project. **This information is required and if not provided, the applicant will not be reimbursed.**

4. Additional Information

Provide contact information for the project. If funds were used for material or website development, provide pictures and product samples.

5. Budget Changes

Where a modification to the IMAG approved budget line items is required, the modification must be approved in writing if the cumulative amount of such modifications exceeds 10%. If the cumulative amount of allowable budget changes **less than 10%**, prior approval is **not** required but a brief justification must be included in the final report.

6. Six Month Follow-up Report

Companies will be required to complete a six-month evaluation to further report on project results and successes. A reminder email will be sent to recipients for notification of evaluations as deadlines approach.

L. Contacts

For more information or questions, please contact:

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